

Revision: HCFA-PM-93-3 (MB)  
MARCH 1993

State/Territory: WASHINGTON

Citation

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| 1927g<br>42 CFR<br>456.700                               | 4.26 Drug Utilization Review Program   |
|  | A. 1. The Medicaid agency meets the requirements of Section 1927(g) of the Act for a drug use review (DUR) program for outpatient drug claims.   |
| 1927(g)(1)(A)  | 2. The DUR program assures that prescriptions for outpatient drugs are:  |
|  | -Appropriate   |
|  | -Medically necessary   |
|  | -Are not likely to result in adverse medical results   |
| 1927(g)(1)(a)<br>42 CFR 456.<br>705(b) and<br>456.709(b) | B. The DUR program is designed to educate physicians and pharmacists to identify and reduce the frequency of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care among physicians, and patients or associated with specific drugs as well as:      |
|  | -Potential and actual adverse drug reactions   |
|  | -Therapeutic appropriateness   |
|  | -Overutilization and underutilization  |
|  | -Appropriate use of generic products   |
|  | -Therapeutic duplication   |
|  | -Drug disease contraindications  |
|  | -Drug-drug interactions  |
|  | -Incorrect drug dosage or duration of drug treatment   |
|  | -Drug-allergy interactions   |
|  | -Clinical abuse/misuse   |
| 1927(g)(1)(B)<br>42 CFR 456.703<br>(d) and (f)           | C. The DUR program shall assess data use against predetermined standards whose source materials for their development are consistent with peer-reviewed medical literature which has been critically reviewed by unbiased independent experts and the following compendia: |
|  | -American Hospital Formulary Service Drug Information  |
|  | -United States Pharmacopeia-Drug Information   |
|  | -American Medical Association Drug Evaluations   |

TN 93-09  
Supersedes  
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1927(g)(1)(D) D. DUR is not required for drugs dispensed to residents of nursing  
42 CFR 456.703(b) facilities that are in compliance with drug regimen review procedures set forth in 42 CFR 483.60. The State has never-the-less chosen to include nursing home drugs in:

Prospective DUR  
X Retrospective DUR

1927(g)(2)(A) E.1. The DUR program includes prospective review of drug therapy at the  
42 CFR 456.705(b) point of sale or point of distribution before each prescription is filled or delivered to the Medicaid recipient.

1927(g)(2)(A)(i) 2. Prospective DUR includes screening each prescription filled or delivered  
42 CFR 456.705(b) to an individual receiving benefits for potential drug therapy problems  
(1)-(7) due to:

- Therapeutic duplication
- Drug-disease contraindications
- Drug-drug interactions
- Drug-interactions with non-prescription or over-the-counter drugs
- Incorrect drug dosage or duration of drug treatment
- Drug allergy interactions
- Clinical abuse/misuse

1927(g)(2)(A)(ii) 3. Prospective DUR includes counseling for Medicaid recipients based on  
42 CFR 456.705 standards established by State law and maintenance of patient profiles.  
(c) and (d)

1927(g)(2)(B) F.1. The DUR program includes retrospective DUR through its mechanized  
42 CFR 456.709(a) drug claims processing and information retrieval system or otherwise which undertakes ongoing periodic examination of claims data and other records to identify:

- Patterns of fraud and abuse
- Gross overuse
- Inappropriate or medically unnecessary care among physicians, pharmacists, Medicaid recipients, or associated with specific drugs or groups of drugs.

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- 1927(g)(2)(C)  
42 CFR 456.709(b)
- F.2. The DUR program assesses data on drug use against explicit predetermined standards including but not limited to monitoring for:
- Therapeutic appropriateness
  - Overutilization and underutilization
  - Appropriate use of generic products
  - Therapeutic duplication
  - Drug-disease contraindications
  - Drug-drug interactions
  - Incorrect drug dosage/duration of drug treatment
  - Clinical abuse/misuse
- 1927(g)(2)(D)  
42 CFR 456.711
3. The DUR program through its State DUR Board, using data provided by the Board, provides for active and ongoing educational outreach programs to educate practitioners on common drug therapy problems to improve prescribing and dispensing practices.
- 1927(g)(3)(A)  
42 CFR 456.716(a)
- G.1. The DUR program has established a State DUR Board either:
- X   Directly, or  
       Under contract with a private organization
- 1927(g)(3)(B)  
42 CFR 456.716  
(A) and (B)
2. The DUR Board membership includes health professionals (one-third licensed actively practicing pharmacists and one-third but no more than 51 percent licensed and actively practicing physicians) with knowledge and experience in one or more of the following:
- Clinically appropriate prescribing of covered outpatient drugs.
  - Clinically appropriate dispensing and monitoring of covered outpatient drugs.
  - Drug use review, evaluation and intervention.
  - Medical quality assurance.
- 1927(g)(3)(C)  
42 CFR 456.716(d)
3. The activities of the DUR Board include:
- Retrospective DUR,
  - Application of Standards as defined in section 1927(g)(2)(C), and
  - Ongoing interventions for physicians and pharmacists targeted toward therapy problems or individuals identified in the course of retrospective DUR.

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- 1927(g)(3)(C)      G.4.    The interventions include in appropriate instances:  
42 CFR 456.711(a)-(d)
- Information dissemination
  - Written, oral and electronic reminders
  - Face-to-Face discussions
  - Intensified monitoring/review of prescribers/dispensers
- 1927(g)(3)(D)      H.      The State assures that it will prepare and submit an annual report to the  
42 CFR 456.712      Secretary, which incorporates a report from the State DUR Board, and  
(A) and (B)      that the State will adhere to the plans, steps, procedures as described in  
the report.
- 1927(h)(1)      I.1.    The State establishes, as its principal means of processing claims for  
42 CFR 456.722      covered outpatient drugs under this title, a point-of-sale electronic claims  
management system to perform on-line:
- real time eligibility verification
  - claims data capture
  - adjudication of claims
  - assistance to pharmacists, etc. applying for and receiving payment.
- 1927(g)(2)(A)(i)      2.    Prospective DUR is performed using an electronic point of sale drug  
42 CFR 456.705(b)      claims processing system.
- 1927(j)(2)      J.      Hospitals which dispense covered outpatient drugs are exempted from the  
42 CFR 456.703(c)      drug utilization review requirements of this section when facilities are  
drug formulary systems and bill the Medicaid program no more than the  
hospital's purchasing cost for such covered outpatient drugs.

TN 93-09

Supersedes

TN ---

Approved: 4/13/93 Effective: 1/1/93